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Security Council

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English
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Letter dated 5 February 2001 from the Secretary-General addressed to the President of the Security Council

I have the honour to transmit to you herewith the text of a letter dated 2 February 2001 from the Director General of the International Atomic Energy Agency (see annex).

I should be grateful if you would bring this letter to the attention of all the members of the Security Council.

(*Signed*) Kofi A. **Annan**

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Annex

[Original: English]

Letter dated 2 February 2001 from the Director General of the International Atomic Energy Agency addressed to the Secretary-General

You will recall that in the statement of 4 November 1994 (S/PRST/1994/64) by the President of the Security Council regarding the Democratic People's Republic of Korea, the Security Council, inter alia, requested the International Atomic Energy Agency (IAEA) "to continue to report to it on the implementation of the Safeguards Agreement". In this regard, and to follow up my letter to you of 17 December 1999, I enclose a copy of my written report about the Democratic People's Republic of Korea (GC(44)/16 of 4 August 2000) submitted to the General Conference of the IAEA at its forty-fourth regular session (see enclosure I), and of resolution GC(44)/RES/26 adopted by the Conference on 22 September 2000 (see enclosure II).

Since my letter to you of 17 December 1999, the Agency has maintained a continuous inspector presence in Nyongbyon to monitor the freeze of the Democratic People's Republic of Korea's graphite moderated reactors and related facilities foreseen in the Agreed Framework of October 1994 between the Democratic People's Republic of Korea and the United States of America. There has been no change in the basis on which we are doing so: the Democratic People's Republic of Korea continues to accept Agency activities solely within the context of the Agreed Framework and not under its Safeguards Agreement with the Agency, which is binding and remains in force.

At the meeting of the Board of Governors on 7 June 2000, I explained the ongoing lack of progress on key issues. I also noted that the Agency's Safeguards Implementation Report for 1999 had recorded the continuing inability of the Agency to verify the correctness and completeness of the Democratic People's Republic of Korea's initial declaration of nuclear material and hence our inability to conclude that there has been no diversion of nuclear material in the Democratic People's Republic of Korea.

In my speech to the General Conference on 18 September 2000 about the Democratic People's Republic of Korea, I explained that, although technical discussions with the Democratic People's Republic of Korea had enabled some minor, day-to-day problems to be solved, there had been no significant change in the overall assessment to the previous General Conference. I said that I hoped this would change. I also noted recent positive developments in the Korean peninsula and expressed the hope previously expressed to the Board of Governors that the Democratic People's Republic of Korea would take the steps necessary to normalize its relations with the Agency. This would make it possible for us to provide the assistance being sought by the Democratic People's Republic of Korea in such areas as nuclear safety and nuclear liability.

In the light of all the information then available and of my report to this year's IAEA General Conference, the Conference adopted resolution GC(44)/RES/26. This, inter alia, noted with continuing concern that the Agency continues to be unable to verify the correctness and completeness of the initial declaration of

nuclear material made by the Democratic People's Republic of Korea; and urged the Democratic People's Republic of Korea to come into full compliance with its Safeguards Agreement with the Agency, to cooperate fully and promptly with the Agency in the implementation of that Agreement, and to take all steps the Agency may deem necessary to preserve all information relevant to verifying the correctness and completeness of the initial report.

At the last round of technical discussions with the Democratic People's Republic of Korea in November 2000, the Agency representatives noted that this verification process could take 3 to 4 years to complete. They noted also that it would require full cooperation on the part of the Democratic People's Republic of Korea. Agency representatives expressed a willingness to start the necessary work at any time with a view to the Democratic People's Republic of Korea coming into full compliance with its Safeguards Agreement at an early date.

I should be grateful if you would bring this letter and its enclosures to the attention of the Security Council, to which I will continue to report developments.

(*Signed*) Mohamed **ElBaradei**

Enclosure I

International Atomic Energy Agency
GENERAL CONFERENCE

GC

GC(44)/16
4 August 2000

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Forty-fourth regular session of the General Conference
Item 19 of the provisional agenda
(GC(44)/1)

IMPLEMENTATION OF THE AGREEMENT BETWEEN THE AGENCY AND THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Report by the Director General to the General Conference

1. In resolution GC(43)/RES/3 of 1 October 1999, the General Conference, inter alia, decided to include in the agenda for its forty-fourth regular session an item entitled:

"Implementation of the Agreement between the Agency and the Democratic People's Republic of Korea for the application of safeguards in connection with the Treaty on the Non-Proliferation of Nuclear weapons."

This report is to provide information to the General Conference in its consideration of item of its agenda.

THE SITUATION PREVAILING AT THE TIME OF THE FORTY-THIRD REGULAR SESSION OF THE GENERAL CONFERENCE

2. The Director General's report (GC(43)/23 of 25 August 1999) to the General Conference in 1999 made clear that the Agency was continuing to monitor the freeze on the DPRK's graphite-moderated reactors and related facilities. It also made clear that co-operation from the DPRK remained limited. Although technical discussions had enabled some day-to-day problems to be solved, there was still no progress on a number of important issues which had remained outstanding since the Agency started, in November 1994, to monitor the freeze. Such issues included the preservation of information required for verifying the accuracy and completeness of the DPRK's initial declaration under its Safeguards Agreement (INFCIRC/403); its refusal to accept certain safeguards measures at its reprocessing plant; and the limitations which the DPRK had imposed on inspector access to technical support buildings at facilities subject to the freeze. The DPRK had also not enabled the Agency to assess the total amount of plutonium in the spent fuel rods from the 5 MW(e) reactor. The Director General's report also gave an account of the two rounds of technical

discussions with the DPRK which had taken place since the 1998 General Conference, and noted the conclusion, in the Safeguards Implementation Report (SIR) for 1998, with regard to the DPRK. It said also that, at a time when the canning operation at the DPRK's 5 MW(e) Experimental Power Reactor was nearing completion, and the time envisaged under the Agreed Framework for the delivery of key nuclear components of the Light Water Reactor (LWR) project was drawing nearer, the Secretariat would be focusing on the preparatory work required for the verification of the correctness and completeness of DPRK's initial declaration. The overall conclusion in the Director General's report was that the co-operation from the DPRK side remained limited and continued to be linked, as in the past, to the DPRK's perception on progress in implementing the Agreed Framework between the DPRK and the United States of America.

3. In the light of the lack of progress on important issues, and of the Director General's report in document GC(43)/23, the General Conference adopted resolution GC(43)/RES/3. This, inter alia, expressed concern over the continuing non-compliance of the DPRK with its Safeguards Agreement. It also urged the DPRK to co-operate fully with the Agency in the implementation of that agreement and to take all steps that the Agency may deem necessary to preserve all information relevant to verifying the accuracy and completeness of the DPRK's initial report on its inventory of nuclear material subject to safeguards until it comes into full compliance with its Safeguards Agreement.

DEVELOPMENTS SINCE THE FORTY-THIRD REGULAR SESSION OF THE GENERAL CONFERENCE

4. Since last year's General Conference, the Agency has maintained a continuous inspector presence in the DPRK to monitor the freeze. At the end of April 2000, the US and DPRK teams completed the canning of the fuel rods which could be retrieved from the spent fuel pond of the 5MW(e) Experimental Power Reactor. However, there have been no major new developments to change the assessments which the Director General gave to the Board of Governors in December 1999, March 2000, and June 2000. Thus, co-operation from the DPRK side remains limited. At the December 1999 Board meeting, the Director General expressed the hope that the DPRK would soon be in a position to expand the level of its co-operation and also to normalise its relations with the Agency.

5. The technical discussions with the DPRK (see paragraphs 6 - 7 below) have enabled further, day-to-day problems to be resolved. For example, the DPRK has agreed to the installation of digital surveillance to replace the analogue systems, which the Agency is phasing out worldwide. It has also agreed to Agency proposals for repackaging slags and ashes containing uranium for long-term storage at the fuel rod fabrication plant. However, the DPRK still needs to provide all of the access required for Agency inspectors to certain technical buildings at facilities subject to the freeze. It also continues to refuse certain safeguards measures at its reprocessing plant, and to allow the Agency to make measurements to assess the total plutonium in the spent fuel rods of the 5 MW(e) Experimental Power Reactor. The DPRK also declines sampling of graphite blocks for the DPRK's 50 MW(e) Power Reactor under construction, a measure which could confirm whether the graphite is of nuclear grade, and hence a key component of the reactor subject to the freeze. Additionally, the Agency has not been allowed to take environmental samples even at nuclear facilities in the DPRK which are not subject to the freeze.

6. Two more rounds of technical discussions with the DPRK have taken place since last year's General Conference: on 13-16 December 1999 in Vienna and on 10-12 May 2000 at Mt Myohan in the DPRK. At the meeting of the Board of Governors on 20 March 2000, the Director General reported that the thirteenth round of technical talks had not resulted in any progress on key issues and that little that was tangible had been achieved with regard to the preservation of information. Regarding the latter, the Agency inspectors have had access, since February 2000, to the records at facilities subject to and not subject to the freeze in order to identify, list and describe their contents. Work on establishing a baseline of records continues, but there has been no progress on the preservation of information other than records, or on the methods to be used to preserve information. In the Board of Governors meeting the Director General reiterated again the wish of the Secretariat for better progress on this, and other outstanding issues, and noted that construction work on the LWR project had started in February 2000 after site preparation. He stated that, as foreseen in the Agreed Framework, the DPRK must come into full compliance with its Safeguards Agreement when a significant portion of the LWR project has been completed but before the delivery of key nuclear components. This, in turn, means that the DPRK must co-operate with the agency with regard to the verification of the correctness and completeness of its initial declaration.

7. In his statement to the Board of Governors on 5 June 2000, the Director General again noted that no agreement had been reached on any of the long-standing issues during the fourteenth round of technical talks. He also stressed, inter alia, that the DPRK must preserve all of the information required for the verification of the initial declaration and also that the verification process in the case of a country with significant nuclear facilities can take a number of years to complete.

8. In the Final Document of the 2000 Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT), the Conference noted with concern that, while the DPRK remained a party to the Non-Proliferation Treaty, the IAEA continued to be unable to verify the correctness and completeness of the DPRK's initial declaration and was therefore unable to conclude that there had been no diversion of nuclear material in the DPRK. The Conference also stated that it looked forward to the fulfilment by the DPRK of its stated intention to come into full compliance with its Safeguards Agreement, which remains binding and in force. The Conference also emphasised the importance of action by the DPRK to preserve and to make available to the IAEA all information needed to verify its initial inventory.

Enclosure II

International Atomic Energy Agency
GENERAL CONFERENCE

GC(44)/RES/26
September 2000

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Forty-fourth regular session
Item 20 of the agenda
(GC(44)/21)

IMPLEMENTATION OF THE AGREEMENT BETWEEN THE AGENCY AND THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA FOR THE APPLICATION OF SAFEGUARDS IN CONNECTION WITH THE TREATY ON THE NON-PROLIFERATION OF NUCLEAR WEAPONS

Resolution adopted on 22 September 2000 at the ninth plenary meeting

The General Conference,

(a) Recalling the Board of Governors' resolutions GOV/2636, GOV/2639, GOV/2645, GOV/2692, GOV/2711 and GOV/2742 and General Conference resolutions GC(XXXVII)/RES/624, GC(XXXVIII)/RES/16, GC(39)/RES/3, GC(40)/RES/4, GC(41)/RES/22, GC(42)/RES/2 and GC(43)/RES/3,

(b) Noting with concern the lack of progress reflected in the Director General's report contained in document GC(44)/16 and his introductory statement of 11 September 2000 to the Board of Governors,

(c) Recalling further resolution 825 (1993) adopted by the Security Council of the United Nations on 11 May 1993 and 31 March 1994, 30 May 1994 and 4 November 1994 statements by the President of the United Nations Security Council, particularly the request to take all steps the Agency may deem necessary to verify full compliance by the Democratic People's Republic of Korea (DPRK) with its safeguards agreement with the Agency,

(d) Noting that the DPRK remains a party to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) and reaffirming that the IAEA-DPRK safeguards agreement (INFCIRC/403) under the NPT remains binding and in force,

(e) Noting also the stated intention of the DPRK to come into full compliance with the safeguards agreement and the continuing IAEA-DPRK discussions on outstanding safeguards issues,

(f) Noting with regret that in these discussions no progress has been made on important issues such as the preservation of information,

(g) Noting that additional factors, as described in the Director General's report contained in document GC(44)/16 and in his introductory statement of 11 September 2000 to the Board of Governors, further underline the need for full and timely co-operation by the DPRK with the Agency in regard to the verification of the completeness and correctness of the DPRK's initial declaration,

(h) Regretting the withdrawal of the DPRK from the Agency and expressing the hope that the DPRK will rejoin, and

(i) Welcoming recent positive developments in north-east Asia and expressing the hope that they will open the way to progress towards full implementation of the relevant agreements,

1. Strongly endorses actions taken by the Board of Governors and commends the Director General and the Secretariat for their impartial efforts to implement the IAEA-DPRK safeguards agreement;

2. Recognizes the important role of the IAEA in monitoring the freeze of nuclear facilities in the DPRK and commends the Secretariat for its continuous efforts to monitor the freeze of specified facilities in the DPRK as requested by the United Nations Security Council;

3. Notes with continuing concern that, although the DPRK remains a party to the NPT, the Agency continues to be unable to verify the correctness and completeness of the initial declaration of nuclear material made by the DPRK and is therefore unable to conclude that there has been no diversion of nuclear material in the DPRK;

4. Urges the DPRK to come into full compliance with its safeguards agreement with the Agency, to co-operate fully and promptly with the Agency in the implementation of the safeguards agreement and to take all steps the Agency may deem necessary to preserve all information relevant to verifying the accuracy and completeness of the DPRK's initial report on the inventory of nuclear material subject to safeguards until the DPRK comes into full compliance with its safeguards agreement; and

5. Decides to remain seized of this matter and include in the agenda for its forty-fifth regular session an item entitled "Implementation of the agreement between the Agency and the Democratic People's Republic of Korea for the application of safeguards in connection with the Treaty on the Non-Proliferation of Nuclear Weapons".